

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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:

UNITED STATES OF AMERICA

:

-v.-

10 Mag. 238

:

ROBERT EGAN,

:

Defendant.

:

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**STATUS REPORT RECEIVED FROM ALLEN D. APPLBAUM,**  
**COURT-APPOINTED RECEIVER**



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March 1, 2010

The Honorable Richard M. Berman  
United States District Judge (Part 1)  
Southern District of New York  
500 Pearl Street  
New York, New York

Re: Report of the Receiver -- United States v. Robert Egan, 10 Mag. 238

Dear Judge Berman:

In accordance with the February 12, 2010 Court Order (the "Order") appointing me the Receiver of Mount Vernon Money Center ("MVMC") as well as its subsidiaries, affiliates, and operating entities, including but not limited to ATM Management Services, LLC, Armored Money Services, LLC, District Security Services, LLC, NowCash Ltd., Montgomery Check Cashing Corp., and Manhattan Money Branch (collectively, the "Affiliated Entities"), I submit the following Interim Report to advise the Court and the parties of the current status of the various enterprises owned by Robert Egan. The Receivership was created in order to preserve the status quo; ascertain the financial condition of MVMC and the Affiliated Entities; prevent further dissipation of the property and assets of MVMC and the Affiliated Entities; prevent the encumbrance or disposal of property or assets of MVMC and the Affiliated Entities; preserve the books, records and documents of MVMC and the Affiliated Entities; be available to respond to inquiries by creditors of MVMC and the Affiliated Entities; and protect the assets of MVMC and the Affiliated Entities from further dissipation. The Order specifies that the Receiver shall:

- Take and retain immediate possession and control of all of the assets and property, and all books, records and documents of, MVMC and the Affiliated Entities that have not already been seized by law enforcement;
- Have exclusive control of, and be made the sole authorized signatory for, all accounts at any bank, brokerage firm or financial institution that has possession or control; of any assets or funds of MVMC or of the Affiliated Entities;
- Pay from available funds necessary business expenses required to preserve the assets and property of MVMC and the Affiliated Entities, including the books, records and documents of MVMC and the Affiliated Entities, notwithstanding the Consent Restraining Order;
- Locate assets that may have been conveyed to third parties or otherwise concealed;
- Ascertain the disposition and use of funds and other property obtained by MVMC and the Affiliated Entities;

- Engage and employ persons, including accountants, attorneys and experts, to assist in the carrying out of the Receiver's duties and responsibilities hereunder;
- Report to the Court and the parties within 15 days from the date of the entry of this Order, subject to such reasonable extensions as the Court may grant;
- Develop a preliminary plan for the administration of the assets of the receivership including a recommendation regarding whether bankruptcy cases should be filed for all or a portion of the assets subject to the receivership; and
- Take such further action as the Court shall deem equitable, just and appropriate under the circumstances upon proper application of the temporary receiver.

### **MVMC and the Affiliated Entities ("MVMC")**

Mr. Egan controlled a number of entities (Exhibit 1) for the purpose of operating the businesses of MVMC and to hold real estate assets. The overall MVMC enterprise was segregated into four (4) primary operating units. The businesses, each with a different focus were:

- **NowCash** - This business unit owns approximately 600 ATM machines in various locations such as grocery stores, gas stations and convenience stores. Almost half of these machines (286) were replenished with cash and managed by another MVMC business unit, ATM Management Services. The remainder of the NowCash ATMs was loaded with cash by the merchants that had contracted with NowCash for managing the machines.
- **ATM Management Services** - This business unit offered services to 5,300 ATMs (not including the 600 owned by NowCash) including cash management, security, technical support, service and maintenance. This operating unit provided this suite of services to ATM owners including the self owned machines in the NowCash business segment.
- **Armored Money Services ("AMS")** - This business provides traditional armored transportation. In addition to armored transportation this unit provided vault services including deposit verification, coin and currency preparation and counting with web access reporting.
- **District Security Services ("DSS")** - This unit provided security services including alarm, CCTV burglar alarm, fire alarm and central station monitoring.

### **Establish and Maintain Control of the MVMC Premises**

To date, the following actions have been taken, or are in the process of being taken, to establish and maintain control of the assets of MVMC:

On February 13, 2010, in accordance with the Order, we took physical control of the premises occupied by MVMC at the following locations<sup>1</sup>:

- *403 East Third Street, Mount Vernon, NY;*

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<sup>1</sup> In addition to these properties, MVMC owned or leased other properties that appear to be unused at the present time.

MVMC's headquarters housed both a vault facility and administrative staff of approximately 25 people.

- *138 and 140 Columbus Avenue, Mount Vernon, NY*

This building housed account representatives and service staff of approximately 25 people.

- *44 North Saw Mill River Road, Elmsford, NY*

This building contained MVMC's principal vault operation and vault and armored car staff numbering approximately 50 people.

### Physical Security

The following security measures were taken in order to secure the physical premises as well as to ensure an orderly transition of control to me as the Receiver:

- Armed guard service at the three (3) active locations set forth above;
- Assessed physical and electronic security at all active MVMC sites;
- Replaced all mechanical locks – master keyed;
- Reprogrammed all electronic access control systems to restrict access to those approved by the Receiver;
- Downloaded images on security video surveillance system to portable storage device;
- Reprogrammed the video surveillance system at all locations and reloaded digital media;
- Changed access codes and protocols for all burglar alarms at all MVMC locations;
- Established liaison with Mt. Vernon Police in connection with potential dispute with MVMC employees regarding missed paychecks;
- Provided armored car service (IBI) to pick up and count seven (7) pallets of coin which had not been seized by the FBI in the Elmsford, New York location;
- Coordinated the armored carrier and money center bank to properly credit the coin; and
- Maintained 24 hour security at all locations until they were properly secured and/or valuables were removed.

### Business Records Preservation

In order to preserve the digital books and records of MVMC, the following actions were taken on February 13, 2010, immediately following my appointment as Receiver:

Overall, we have performed the forensic imaging and preservation of two servers (accounting and file servers), 19 computer hard drives, 3 pieces of removable media (flash drives, portable hard drives), more than 130 custodian mailboxes (entire email database preserved), more than 70 individual "Home Shares" (explained below) from the Mount Vernon file servers and multiple "Group Shares" (explained below) from Mount Vernon locations totaling nearly 1.75 Terabytes (over 1,800 GB). In doing so, our goal was to first and foremost, preserve as much electronic

data as possible to maintain the integrity and information necessary to the continued operation of the businesses, specifically:

- We interviewed the IT staff of MVMC and obtained a general understanding of the network infrastructure allowing us to identify the location specific users and accounting information;
- We secured the general ledger and a cash flow system and extracted the general ledger tables/information for each of the entities identified in the MAS 90 accounting system;
- We preserved the electronic mail and attachments for the more than 130 email users at MVMC via the MS Exchange server; and
- In addition to the data preservations performed at these locations we compiled an inventory of technology assets, and assessed the business purpose of the MVMC technology assets.

#### Home Shares:

- Each employee of MVMC is afforded a place on the network where they can store data and files without occupying space on their local computer, referred to as Home Shares. Additionally, this functions as an area to secure information for each MVMC employee without the risk of loss as a result of a hard drive crash or inadvertent damage;
- Using administrative rights to the MVMC network, we were able to "see" these directories. We preserved these directories using a forensic utility which allowed for a bit-by-bit copy of the server's hard drive to be made and to ensure that no metadata would be altered prior to or during the copying; and
- To date we have preserved Home Shares data from over 70 identified custodians with accompanying documentation.

#### Group Shares:

- Similar to the Home Share function, entire departments within the MVMC organization are also granted shared space on the MVMC network referred to as Group Shares. These directories typically have limited access rights and are restricted to allow only members of the department to view, store or modify files in the directory;
- Using administrative rights to the MVMC network, we were able to "see" these directories. We preserved these directories using a forensic utility which allowed for a bit-by-bit copy of the server's hard drive to be made and to ensure that no metadata would be altered prior to or during the copying; and
- To date we have preserved a large quantity of Group Shares and have considered them as separate custodians for the purposes of tracking and documentation.

Email:

- We preserved and extracted nearly 140 email accounts from the central server;
- We temporarily halted email services so that a snapshot copy of the email database could be copied. Custodian mailboxes were preserved and can be extracted at a later date; and
- This operation was performed for all identified custodians with no limitations or restrictions applied to date ranges or file size. All data on the server available for each custodian was extracted and preserved.

### **Short Term Business Operations**

When we assumed control of the various MVMC premises on Saturday, February 13, 2010, we began evaluating the near term issues affecting the MVMC entities; there were many. We learned quickly that the businesses had essentially not been operating since Mr. Egan's arrest on February 8th. The MVMC businesses are, first and foremost, time sensitive service providers to its customers. Replenishing cash in ATM machines, servicing these machines, providing armored car services or check cashing services, are foundational elements of its business operations. Customers, in many instances, despite the existence of contracts, sought other service providers to meet their pressing needs.

On February 12, 2010, the primary bank serving MVMC, Signature Bank ("Signature"), in accordance with the Court's Order froze all accounts of MVMC. The result of the freeze was that payroll checks that had been prepared for more than 200 employees were rendered invalid. This obviously caused a great deal of consternation among the employees. The fact that it was a holiday weekend (President's Day) only served to increase tensions and anxiety among the employees, many of whom had not worked the preceding week due to the arrest of Mr. Egan. In order to help diffuse this situation, we met with the employees on Tuesday, February 16th, in groups of 10 to 12, to explain the role of the Receiver, the impact that the Receivership might have on them and the businesses, and to notify them that we expected to issue new payroll checks on Friday, February 19th to pay them the wages that they were owed.

To address the payroll issues, and continue to operate the MVMC businesses, we unfroze the bank accounts at Signature Bank. In addition, we located other company bank accounts at Capital One Bank, Citibank, Wachovia and JP Morgan. We have or are in the process of unfreezing these accounts as well.

We restored the banking relationship with Signature Bank and issued new payroll checks for the employees on February 19th. We provided paychecks for the employees that worked the weeks ending February 19th and February 26th. We also made payments for all payroll taxes and insurance policies as required by law. Most of these employees, since reporting to work after Mr. Egan's arrest, have been terminated and many have filed for unemployment benefits. We are processing the unemployment claims for these former employees.

MVMC had not made employee contributions to the company 401K plan since November, 2009. We have contacted the plan administrator and are in the process of rectifying this situation.



NowCash

We performed an initial assessment of the business units described above to gain an understanding of the business model of each and to ascertain which units represented the largest assets to the overall company. It became apparent that the NowCash business, consisting of self owned ATMs, was the most valuable entity in the portfolio of MVMC companies and that it would require significant immediate attention to remain viable. NowCash had a positive cash flow and an equity value as a portfolio of machines. According to the company's records that we have not yet been able to verify, in January 2010, the net revenue of NowCash was approximately \$135,000 for the month. This business is highly competitive and customers have been known to ignore their contracts and obligations. If the ATM machines run out of money or otherwise need servicing, the value to the customer drops precipitously. We also learned that customers were being pursued by competitors who offered to plug in new machines alongside the empty or non-functioning NowCash machines.

To preserve as much of the value of the NowCash business as possible, we arranged a short term (two week) contract with an ATM service provider, FAM, to maintain and service the NowCash ATMs (Exhibit 2). Under the terms of the contract, FAM assumed the payroll costs for three critical NowCash employees necessary to reestablish customer credibility and facilitate ongoing operations. We also paid the customers the commissions they were owed to remain compliant with the terms of the MVMC contracts.

Almost immediately following our agreement with FAM, a crisis arose in connection with the NowCash business. Due to bank regulatory requirements, a bank must serve as a sponsor to provide a guarantee for each ATM transaction from the point at which the cash is withdrawn to the clearing of the transaction from the cardholders account. For this service, the sponsor bank receives a fee of \$.01 per transaction. The sponsor for the NowCash business was Pueblo Bank located in Pueblo, Colorado. On February 12<sup>th</sup>, Pueblo Bank withdrew its sponsorship and notified MVMC and one of its network providers (Fiserve) that it would no longer serve as the NowCash sponsor bank. If the remaining network servers (Elan and Columbus Data) withdrew their support as well, all of the NowCash ATM machines would be inoperable and worthless even if loaded with cash by the customers.

As part of the FAM negotiation, we were able to have Meta Bank, which already provided sponsorship for FAM, step into the role of sponsor bank to maintain operations of the machines on the Elan and Columbus Data networks. To date, Fiserve has not resumed operations.

ATM Management Services

ATM Management Services serviced approximately 5,300 ATM machines owned by others. As the drivers and messengers who provided these services believed their jobs had been lost with Mr. Egan's arrest, little if any servicing was being provided to AMS customers. Thus it became imperative to facilitate a changeover to new providers the customers had contacted. In order for new service providers to access these machines it was necessary to develop a process to unlock the machines to provide access for the changeover. The process required that MVMC "shelve" the existing lock and allow a new provider access to install its own lock, replenish the cash, and count the residual cash left in the machine. This work is in process and likely will continue into the second week of March, 2010.

Additionally, prior to my appointment as the Receiver, MVMC arranged with Pendum LLC, a national armored and ATM services provider, to shelve the locks for some of MVMC's largest

customers such as Cardtronics and ATM World. As of the date of this report, Pendum has shelved more than 1,000 locks. We are also exploring providing short term leases for AMS's fleet of armored cars to Pendum to facilitate the change in locks. Pendum has also begun accepting employment applications from those MVMC armored car personnel that were terminated.

AMS also provided gun licenses and guns to a portion of its armored car employees. We arranged to have the weapons returned, inventoried and placed in a secure vault at the 140 Columbus Avenue location for safekeeping.

As a result of Mr. Egan's arrest and its aftermath, AMS has ceased to operate. However, MVMC owns or leases 88 vehicles including armored trucks, service vans and cars. All but a handful of vehicles have been accounted for and returned.

### DSS

The security business is still operating providing alarm monitoring and other maintenance services. This small business is essentially comprised of two employees and continues to serve customers and operate from the cash flow generated by its operations.

### Employee Reductions in Force

Prior to the installation of the Receiver, MVMC employed 311 full time personnel. The total consisted of 262 hourly employees and 49 salaried workers. The weekly gross payroll was about \$212,000. We have reduced the payroll for employees to about \$28,000 per week. We have terminated the employment of all but five of the hourly workers and 22 salaried staff<sup>2</sup> (Exhibit 3). Four of the five hourly workers are focused on the shelving of the ATM locks; the other remaining hourly employee works in the DSS unit.

During the course of the receivership, we have determined what MVMC staff is required going forward to protect the assets of the enterprise. From the task based evaluations we conducted, we have concluded that certain salaried employees were essential for short term operations. We have retained 22 salaried staff including IT specialists, accounting and accounts payable, accounts receivable and human resources administration staff, a cash reconciliation specialist and three managers to handle the ATM lock shelving and motor vehicle control/disposition.

### Cash and Liquidity

We received complete access to the Signature Bank accounts on February 18, 2010. The bank did accept deposits on February 17<sup>th</sup>; however, we could not make any disbursements, including payroll until February 19<sup>th</sup>.

There is a total of \$8.3 million cash liquidity at MVMC, with \$7.6 million of the total at Signature Bank (Exhibit 4). There are five operating accounts established with Signature Bank. The balances are as of close of business on February 23, 2010. Among the largest balances are the MVMC Operating Account, with a balance of \$4,385,767, and the AMS Operating Account with a balance of \$2,305,288.

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<sup>2</sup> Among those terminated were Robert Egan, his wife, step daughter-in-law, and cousin.



The total cash on deposit at Signature Bank was \$7,569,098. To date, we are using only the Signature Bank accounts to operate the business. We have not completed the bank reconciliation for these accounts, but it is clear that a substantial portion of the cash on hand represents exchange funds forwarded and held in trust by MVMC for their customers.

As set forth below, there are MVMC accounts at other banks as well. We have left these accounts intact and have not used them to operate any of the business entities:

- Citibank – Balance \$16,135
- Wachovia - Balance \$259,109
- Capital One Bank – Balance \$170,914<sup>3</sup>
- JP Morgan - Balance of \$73,087

We have prepared a cash flow analysis that rolls forward the cash balance on the date the Court appointed the Receiver, including the inflows/outflows of cash through the date of this report and the near term projected inflows/outflows of cash (Exhibit 5).

#### Accounting and General Ledger Update

It is our understanding that MVMC is comprised of six operating and eight non-operating entities. Each of these entities maintains its own set of books and records. MVMC uses MAS 90 accounting software which FTI has located and preserved. We also identified several other entities within the MAS 90 accounting system that did not have any accounting activity since at least 2009. Therefore, our initial focus has been on the preparation of the financial statements of the operating and non-operating companies. The six operating entities, which encompass the four operating business units, as explained above, are as follows:

##### **MVMC Operating Companies**

<b>Company Name</b>	<b>Co. Code</b>
Armored Money Services LLC	AMS
District Central Alarm Service D-2	DCS
Manhattan Money Branch	MAN
Mount Vernon Money Center Corp (MVMC)	MTV
Now Cash Limited	NOW
MVMC Service INC	SER

The eight non-operating entities appear to have been established to segregate certain asset investments, including equipment and real estate holdings. These non-operating entities are as follows:

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<sup>3</sup> There is an exchange account for Moneygram with a zero balance and an account with \$100,000 which serves as collateral for a loan. We have requested documentation related to this loan.

**MVMC Non-Operating Companies**

<b>Company Name</b>	<b>Co. Code</b>
185 LLC	185
44 North Saw Mill, LLC	44N
Annex Corp	ANN
Crystal Public Communications	CPC
District Central Station Alarm D-1 (DAL)	DAL
E Z K I Realty Corp	KIR
Montgomery Check Cashing Corp	MON
MVMM Corp	MVM

We have been working with the MVMC's retained accounting staff to prepare the financial statements of each of these entities. This has been a difficult process as a result of, among other things, the following:

- The general lack of accounting resources with any history with MVMC (e.g., the current bookkeeper has been employed for less than a year);
- The lack of underlying documentation to support recorded transactions;
- The number of separate entities and related intercompany activity between the entities requiring reconciliation; and
- The general complexity and scope limitations of reconciling accounting activity in certain key working capital accounts. For example, making a determination of amounts due to customers is somewhat compromised by the lack of segregation of cash in vault that was seized by the government.

To date, we have prepared the consolidated balance sheet inclusive of the six operating entities and eight non-operating entities as of September 30, 2009 (Exhibit 6). These statements have been prepared using the best information available; however, please note that we still consider them to be preliminary and has not been subject to audit-type scrutiny which may not even be possible given the issues noted above. We are continuing to work closely with MVMC's accounting staff to prepare financial statements through the date of the Receivership order.

*Consolidated Balance Sheet as of September 30, 2009*

As explained above, the most recent consolidated balance sheet available for all operating and non-operating entities is as of September 30, 2009 (Exhibit 6). Observations related to this preliminary consolidated balance sheet include, but are not limited to, the following:

- Working capital shortfall – MVMC was operating with a significant short fall in working capital (current liabilities less current assets) of approximately \$34.7 million as of September 30, 2009. This appears to have been primarily caused by a significant balance of "Due to Customers" totaling approximately \$60.0 million that should have been, but was not, collateralized by cash held by MVMC in its role as a custodian of customers' cash. This is a significant indication that MVMC did not have the ability to meet its financial obligations as of September 30, 2009, if not at earlier points in time.
- Loan Receivable to Officer – The detailed activity in the loans receivable account indicates that, over the course of several years, MVMC incurred numerous transactions recorded as loans to Robert Egan totaling approximately \$16.4 million. To date, we have not discovered any loan agreements between MVMC and Robert

Egan. It will take a detailed forensic analysis to determine the specific nature of these items which may be limited in scope due to the lack of underlying documentation available at MVMC.<sup>4</sup>

- Bank Debt – MVMC had bank debt outstanding to Signature Bank in excess of \$3 million (including interest). This loan was fully collateralized by cash held in an account by Signature Bank. Prior to unfreezing the accounts, it appears that Signature Bank retained the \$3 million held on account to offset the debt outstanding. A determination needs to be made as to what rights, if any, Signature Bank had to make this offset.

We are continuing to assess the nature of these and other balance sheet related accounts to determine the potential for asset recovery opportunities available and to identify any further obligations and/or commitments of MVMC.

*Estimated Working Capital as of February 24, 2010*

As explained above, MVMC was operating at a working capital shortfall at September 30, 2009. We have prepared the following summary of the working capital position of MVMC as of February 24, 2010 (based upon preliminary, unreconciled assessments of the most significant working capital accounts):

<b>Estimated Working Capital</b>	
<b>As of February 24, 2010</b>	
Cash in banks available to Receiver	\$ 8,242,434
Cash in vaults seized by government	19,288,792 <sup>1</sup>
Accounts receivable	3,507,625 <sup>2</sup>
	<u>\$ 31,038,851</u>
Due to customers	\$ 68,218,244 <sup>3</sup>
Accounts payable and accrued expenses	356,524
	<u>68,574,768</u>
<b>Net Working Capital</b>	<u><u>\$ (37,535,917)</u></u>
<b>Notes:</b>	
(1) Balance obtained by FTI from a special agent of the Federal Bureau of Investigation.	
(2) The balance of \$3,507,625 includes \$1,490,004 of receivables that are outstanding for more than 90 days.	
(3) This balance represents a preliminary amount Due to Customers and is subject to change as further information becomes available.	

<sup>4</sup> There are a myriad of transactions that make up this balance including related party transactions still under investigation.

The working capital shortfall as of February 24, 2010, of approximately \$37.5 million is consistent with the working capital shortfall as of September 30, 2009 of approximately \$34.7 million which, as explained above, is primarily the result of amounts Due to Customers that is not collateralized by cash held in MVMC's vaults. The customers included in the Due to Customers balance represent the most significant claimant group (see "Customers/Victims" section below for further discussion). The Due to Customer liability balance is primarily comprised of amounts held in trust for customers of ATM Management Services. Each customer balance is calculated through a reconciliation process involving incoming cash deposits (wires) and/or deliveries (actual cash), incoming residual cash (i.e., cash left over after ATM's were loaded with new cash canisters), outgoing cash to load ATM's and outgoing cash repaid to customers. These elements are reconciled on a daily basis to arrive at the amount of cash remaining in vault which is due to each customer. The process of reconciling these accounts to actual cash activity within the various operating entity trial balances is a tedious process and has not been completed through February 24, 2010. Therefore, the balances presented herein as of February 24, 2010, are based upon the best information available and will be subject to further investigation and reconciliation.

As noted, the Accounts Receivable balance of \$3.5 million includes \$1.5 million outstanding for more than 90 days. Of this balance outstanding, approximately \$1 million is due from Bronx Lebanon Hospital, the primarily client of the Company's District Security Services business. We have learned from discussions with retained personnel that the Company has historically been passive in its collection efforts. We plan on taking the appropriate measures to more aggressively increase collection rates.

#### *Property and Equipment*

The property and equipment assets of MVMC include real estate holdings (primarily related to the office building locations that it operated from), ATM machines, vehicles, vault operation facilities, computers and other office equipment. We have discovered that the Company did not maintain a listing of property and equipment, therefore, a detailed analysis of the individual asset accounts would be required to prepare such a list. The scope of this analysis (historical time period and dollar threshold) would also need to be determined.

In addition, we are working with retained MVMC personnel to inventory all physical assets that belong to MVMC and to reconcile this physical inventory to the property and equipment balances in MVMC's books and records. A valuation of the property and equipment will be required to determine its true fair market value.

The following chart represents the historical property and equipment account balances per MVMC's books and records, on a consolidated basis, as of September 30, 2009:

<b>Property and Equipment</b>	
<b>As of September 30, 2009</b>	
Furniture	\$ 363,873
Equipment	9,452,808
Building	4,265,771
Leasehold improvements	2,882,199
Other Fixed Assets	201,226
Land	600,417
<b>Gross Total</b>	<b>\$ 17,766,295</b>
Accumulated Depreciation	(8,353,373)
<b>Net Total</b>	<b>\$ 9,412,922</b>

The buildings listed above pertain to real estate owned by MVMC at the following addresses:

- 403 E. 3rd Street, Mount Vernon, NY 10550
- 44 North Saw Mill Riverhead, Elmsford, NY 10523
- 138-140 South Columbus Ave., Mount Vernon, NY 10550
- 1540 Roosevelt Ave., Carteret, NJ 07008
- 185 S Columbus Ave., Mount Vernon, NY 10550

We have identified a number of mortgages related to these properties; we are in the process of determining the amounts outstanding.

#### Asset Searches

We have performed extensive searches to identify all of the entities controlled by Robert Egan and MVMC. From the books and records of MVMC, as set forth above, we have determined that there are six operating companies and eight non-operating companies; half of the non-operating companies are real estate holding companies. In addition, we have also conducted extensive online public record research using subscriber databases such as Westlaw, Lexis, Dun & Bradstreet and Accurint, and have researched corporate registration records directly with various Secretary of State offices. This investigative research was performed in order to identify entities naming Mr. Egan and/or his family members.

In addition to the Operating and Non-Operating entities described earlier, we have identified the following business entities, believed to be directly or indirectly related to Mr. Egan, which are currently reported in Secretary of State and/or other records as being "active."

- 1540 Roosevelt Avenue, LLC
- 415 Huguenot, LLC
- Adirondack Estates, Inc.
- American Armored Car Ltd.
- Barron ATM Corp.

- COAC, Inc.
- Cooper Land Farms, LLC
- District Security Services, LLC
- GNC Payroll Plus, Inc.
- GT Public Services, Inc.
- Integreon Discovery Solutions, Inc.
- MKEY, LLC
- MVMC Holding Corp.
- Quick Cash, LLC
- Scenic View Estates Ltd.

Further research regarding the nature of Mr. Egan's affiliation with these entities, as well as the assets owned by them, continues. Although some of the entities listed above, (e.g. Adirondack Estates, Inc. and Integreon Discovery Solutions, Inc.) do not appear to be related to MVMC, further investigation is warranted to determine whether MVMC monies were used to fund these entities or fund Mr. Egan's investments in them. Further research is also needed to determine whether money lent by Mr. Egan to various entities was in fact MVMC monies.

We have also identified several *inactive* entities that have been directly or indirectly associated with Mr. Egan. Some of the entities have merged into other active businesses, while some appear to no longer be operating in any capacity. Research regarding certain known transactions entered into by these entities is ongoing.

All of the active and inactive entities that have been identified to date are attached at Exhibit 1.

#### Customers/ Victims

The arrest of Robert Egan severely damaged the reputation of MVMC. In a business based upon trust and fiduciary responsibility, the allegations set forth in the criminal Complaint adversely affected MVMC in that it caused both customers and employees to lose confidence in the entire enterprise, effectively shutting down the operation of the businesses. In addition, it is my understanding that the FBI seized \$19,288,792 in cash from the MVMC vault on February 10 and 11, 2010. This too adversely affected MVMC's business operations because the movement and handling of cash is the business purpose of MVMC.

In the analysis set forth in detail above, we have preliminarily determined that the total due to customers is approximately \$68.2 million. We have received a number of claims from financial institutions and other businesses setting forth claims for losses as a result of the issues at MVMC.

The claimants fall into four (4) major categories:

1. Financial institutions used the ATM Management business to service and replenish the cash in their ATM machines. These institutions wired their money to MVMC. Upon receipt of the wire, MVMC would dispatch an armored car to pick up the cash and return it to the MVMC vault. From there, the cash was dispensed to the various machines and the residual cash in the canister of the ATM was returned, counted and remained in the vault. MVMC would then notify the bank, via email, its balance. These institutions claim cash belonging to them resided in the vault.



2. Check cashing companies used the AMS business to pick up and deliver cash to and from their locations. A number of these small businesses claim that cash belonging to them resided in the vault at the point of seizure by the FBI.
3. Other entities, such as NYC Health & Hospitals Corp. ("HHC") used the armored car check cashing service offered by AMS. As an example, HHC would wire funds to MVMC to be used for its employees to cash their paychecks. An armored truck would travel to the hospital location and set up a mobile check cashing service for the employees. There are records which indicate that entities such as HHC had funds in the vault.
4. Other claimants include customers that used the traditional armored car service to pick up cash and checks to be deposited on their behalf in their own bank accounts. The group also claims to have had cash in the vault.

## Conclusion

The damage to the MVMC entities brought about by the arrest of Robert Egan and its aftermath is significant and quite possibly irreparable. To date, our efforts have focused on preserving the assets of MVMC. The current status of the specific MVMC businesses is as follows:

- The NowCash business is the most viable and valuable business remaining. The short term steps we have implemented have preserved the value of the business as a portfolio of ATM machines which has equity value.
- The DSS alarm business, although small, has value to potential buyers and/or the current operators.
- The ATM Management and AMS armored car businesses are effectively non-operating. The value remaining in these business units is limited to the actual hard assets remaining.

The claims of the victims are an important consideration in this analysis as well. It is likely that legitimate claims will exceed the remaining asset value by at least \$30 million. To the date of this Interim Report, all of these factors taken together indicate that bankruptcy may be the best option available to preserve as much value in the estate as possible. It will take additional investigation to make a final determination.

Very truly yours,



Allen D. Applbaum  
Receiver, Mount Vernon Money Center and the Affiliated Entities

# Exhibit 1

## Mount Vernon Money Center -- Related Business Entities

Company Name	Officers/Directors/Owners/ Investors	Location	Date of Formation	Status	State	Org Chart	Financial Disclosure	Assets	Incorp Docs- Yes/No	FTI Litig Search- Yes/No	Notes
1540 Roosevelt Avenue, LLC	Robert F. Egan	1540 Roosevelt Avenue, Carteret, NJ 07008	11-Nov-09	Active	NJ	Yes	Yes		Yes	Yes	Egan disclosed a \$750,000 investment in 1540 Roosevelt Avenue, LLC on his February 2, 2010 Financial Condition disclosure.
185, LLC	MVMC	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	20-Mar-00	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$500,000 investment in 185, LLC on his February 2, 2010 Financial Condition disclosure.
415 Huguenot, LLC	MVMC	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	9-Aug-07	Active	NY	No	No		Yes	Yes	Egan disclosed a \$500,000 investment in 415 Huguenot LLC on his June 1, 2008 Financial Condition disclosure.
44 N Saw Mill, LLC	Robert F. Egan	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	31-May-07	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$2,000,000 investment in 44 N Saw Mill, LLC on his February 2, 2010 Financial Condition disclosure.
Adirondack Estates, Inc.	Richard R. Bird	HC 82 Box 512, Raquette Lake, NY 13436	4-Nov-02	Active	NY	No	Yes		Yes	Yes	Egan disclosed a \$1,000,000 investment in Adirondack Estates on his June 1, 2008 Financial Condition disclosure. Egan also purchased property from this entity (see assets tab)
American Armored Car, Ltd.	Dominick Colasuonno	44 North Saw Mill River Rd., Elmsford, NY 10523	16-Jun-94	Active	NY	No	No		Yes	Yes	Entity is registered to 44 Saw Mill River Road, the same address as other Egan entities and a parcel owned by Egan's company 44 N Saw Mill, LLC.
Annex Corp.	Robert F. Egan	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	31-Dec-93	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$900,000 investment in Annex Corp. on his February 2, 2010 Financial Condition disclosure.
Armored Money Services, LLC	Robert F. Egan	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	14-Mar-07	Active	NY	No	Yes		Yes	Yes	Egan disclosed a \$5,000,000 investment in Armored Money Services, LLC on his February 2, 2010 Financial Condition disclosure. The entity is registered to Robert Egan at 403 East Third Street, Mount Vernon, NY 10550. Egan lists himself as president on Incorporation documents.
Barron ATM Corp.	Robert F. Egan	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	12-Sep-02	Active	NY	No	No	ATMs purchased from Barron LLC in 2004	Yes	Yes	This entity entered into contract with an entity, Barron LLC, to purchase ATMs for a price of \$1,200,000 over nine years at 5% per annum. Entity Barron LLC entered into Chapter 7 on June 1, 2004. Following this, Barron ATM Corp. allegedly ceased payments in December, 2004. Trustee of Barron LLC sued Mount Vernon Money Center and Robert Egan for breach of contract and fraud in US District Court for the Southern District of New York, alleging that Barron ATM was an alter ego of MVMC, had no assets or employees of it's own, and was, therefore, liable for the breach of contract and fraud. A decision dismissed the fraud charges but upheld the breach of contract charges on September 3, 2008.
Cashzone Check Cashing Corp.	Mark Defazio	Metropolitan National Bank, 2 Park Ave., New York, NY 10016	25-Feb-75	Active	NY	No	No		Yes	Yes	Name changed to Cashzone Check Cashing Corporation April 7, 2003. Formerly G&R Check Cashing Corporation. Robert Egan listed as president on incorporation documents. The entity was formed out of the merger of Manhattan Check Center and Riverdale Check Cashing Corporation. White Plains Services Inc., RMC Check Cashing Corp., Limp Check Cashing Corp., Main/North Check Cashing Corp., Corona Check Cashing Corp., and Queens Payroll Services, Inc. merged into G&R Check Cashing Corp. on December 14, 1989.

Company Name	Officers/Directors/Owners/ Investors	Location	Date of Formation	Status	State	Org Chart	Financial Disclosure	Assets	Incorp Docs- Yes/No	FTI Litig Search- Yes/No	Notes
Cashzone Check Cashing Corp.	Robert F. Egan	Metropolitan National Bank, 2 Park Ave., New York, NY 10016	25-Feb-75	Active	NY	No	No		Yes	Yes	Name changed to Cashzone Check Cashing Corporation April 7, 2003. Formerly G&R Check Cashing Corporation. Robert Egan listed as president on incorporation documents. The entity was formed out of the merger of Manhattan Check Center and Riverdale Check Cashing Corporation. White Plains Services Inc., RMC Check Cashing Corp., Limp Check Cashing Corp., Main/North Check Cashing Corp., Corona Check Cashing Corp., and Queens Payroll Services, Inc. merged into G&R Check Cashing Corp. on December 14, 1989.
Central Office Alarm Company, Ltd.	Joseph E. Collins	140 South Columbus Ave., Mount Vernon, NY 10550	2-Aug-95	Active	NY	No	No		Yes	Yes	This entity is located at the 140 South Columbus property owned by Egan. Joseph Collins is listed as president of another of Egan's entities as well, District Central Station, LLC.
Cooper land Farms, LLC	Robert F. Egan	1727 Route 9, Germantown, NY 12526	16-Apr-03	Active	NY	No	No		Yes	Yes	According to its website, Cooperland Farms is a working Nursery. See Cooperlandfarms.com. Robert F. Egan is listed as the president on Incorporation documents.
Crystal Public Communications, Inc.	Douglas J. Clark	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	3-Mar-99	Active	NY	Yes	No		Yes	Yes	Entity registered to Egan's business address, 403 E 3rd St., Mount Vernon, NY 10553. Entity listed on Org Chart provided by Egan
District Central Station Alarm Corp.	Robert F. Egan	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	18-Jul-75	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$2,000,000 investment in "District Alarm I and II" on his February 2, 2010 financial condition disclosure.
District Central Station Alarm Corp.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	18-Jul-75	Active	NY	Yes	Yes			Yes	Egan disclosed a \$2,000,000 investment in "District Alarm I and II" on his February 2, 2010 Financial Condition disclosure. Entity registered to Robert Egan at 403 E 3rd St., Mount Vernon, NY 10553.
District Central Station Alarm Services Corp.	Robert F. Egan	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	17-Jul-01	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$2,000,000 investment in "District Alarm I and II" on his February 2, 2010 financial condition disclosure.
District Central Station, LLC	Joseph E. Collins	140 South Columbus Ave., Mount Vernon, NY 10550	24-Mar-08	Active	NY	No	No		Yes	Yes	Entity registered to Egan's business address, 140 South Columbus.
District Central Station, LLC	Donato Valez, Jr.	403 E 3rd St., Mount Vernon, NY 10553	24-Mar-08	Active	NY	No	No		Yes	Yes	Entity registered to Egan's business address, 403 E 3rd St., Mount Vernon, NY 10553.
District Security Services, LLC	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	24-Mar-08	Active	NY	No	No		Yes	Yes	
EZ-KI Realty Corp	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	24-Jul-87	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$1,400,000 investment in EZ-KI Realty on his February 2, 2010 financial condition disclosure. EZ-KI merged with 106 Haven Corp on December 31, 1996.
GNC Payroll Plus, Inc.	Nancy Caccavale	403 E 3rd St., Mount Vernon, NY 10553	25-May-99	Active	NY	No	No		Yes	Yes	Incorporation documents list the principal executive office as 403 E 3rd St., Mount Vernon, NY 10553 as of 2003. Entity listed on Mount Vernon Money Center general ledger.
GT Public Services, Inc.	MVMC	403 E 3rd St., Mount Vernon, NY 10553	12-Dec-01	Active	NY	No	No		Yes	Yes	Name Changed to GT Public Services, Inc. on June 19, 2002, Formerly Public Access Network Services, Inc.
Integreon Discovery Solutions, Inc.	Christopher Egan	219 E 44th St., 5th Floor, New York, NY 10017	8-Aug-94	Active	NY	No	Yes		Yes	Yes	Named Legal Duplicating Services, Inc. at formation. Name Changed to Duplicating USA, Inc. on May 30, 1997. Name changed to Datum Legal Solutions, Inc. on December 22, 2005. Name changed to Datum Legal, Inc. on February 10, 2006. Name changed To Integreon Discovery Solutions, Inc. on May 30, 2008.
Integreon Discovery Solutions, Inc.	Robert F. Egan	219 E 44th St., 5th Floor, New York, NY 10017	8-Aug-94	Active	NY	No	Yes		Yes	Yes	New York County DBA search shows Robert F. Egan as doing business as the COO of this entity

Company Name	Officers/Directors/Owners/ Investors	Location	Date of Formation	Status	State	Org Chart	Financial Disclosure	Assets	Incorp Docs- Yes/No	FTI Litig Search- Yes/No	Notes
Manhattan Money Branch.com, Inc.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	4-Sep-02	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$200,000 investment in Manhattan Money Branch on his February 2, 2010 financial condition disclosure.
MKEY, LLC		403 E 3rd St., Mount Vernon, NY 10553	28-Mar-02	Active	DE	No	No		Yes	Yes	In NY this entity is registered to 403 E 3rd St. No other information is available.
Mount Vernon Money Center Corp.	Robert F. Egan	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	24-Jul-87	Active	NY	Yes	Yes		Yes	Yes	Egan disclosed a \$5,000,000 investment in Mount Vernon Money Center, Inc. on his February 2, 2010 financial condition disclosure. According to Barron ATM bankruptcy documents, this is a DBA name for MVMC Corp.
MVMC Corp.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	26-Jun-92	Active	NY	Yes	No		No	Yes	No Incorporation documents identified for this entity.
MVMC Corp.	Donato Valez, Jr.	403 E 3rd St., Mount Vernon, NY 10553	26-Jun-92	Active	NY	Yes	No		No	Yes	No Incorporation documents identified for this entity.
MVMC Corp.	Frank Ehresmann	403 E 3rd St., Mount Vernon, NY 10553	26-Jun-92	Active	NY	Yes	No		No	Yes	No Incorporation documents identified for this entity.
MVMC Corp.	Brendan McGarry	403 E 3rd St., Mount Vernon, NY 10553	26-Jun-92	Active	NY	Yes	No		No	Yes	No Incorporation documents identified for this entity.
MVMC Holding Corp.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	17-Jul-01	Active	NY	Yes	No		Yes	Yes	
MVMC Inc.		184 Avenue T, Brooklyn, NY 11223	9-May-06	Active	NY	No	No		Yes	Yes	Business identified in the course of public records research. Aside from the name and the address, no records were found indicating who owns this entity. The entity's relationship to Egan is unknown.
MVMC Service, Inc.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	23-Feb-06	Active	NY	Yes	No		Yes	Yes	
MVMM Corp.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	26-Jun-92	Active	NY	Yes	Yes		Yes	Yes	This entity does business as Mount Vernon Monetary Management and is the top line entity on the Org Chart.
NowCash, Ltd.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	23-Sep-09	Active	DE	Yes	No		Yes	Yes	Delaware Application for Authority filed by Robert Egan at 403 E 3rd. Entity registered to 403 E. 3rd.
NowCash, Ltd.	Bernie McGarry	403 E 3rd St., Mount Vernon, NY 10553	23-Sep-09	Active	DE	Yes	No		Yes	Yes	Delaware Application for Authority filed by Robert Egan at 403 E 3rd. Entity registered to 403 E. 3rd.
NowCash, Ltd.	Brendan McGarry	403 E 3rd St., Mount Vernon, NY 10553	23-Sep-09	Active	DE	Yes	No		Yes	Yes	Delaware Application for Authority filed by Robert Egan at 403 E 3rd. Entity registered to 403 E. 3rd.
NowCash, Ltd.	Lucy Ciraolo	403 E 3rd St., Mount Vernon, NY 10553	23-Sep-09	Active	DE	Yes	No		Yes	Yes	Delaware Application for Authority filed by Robert Egan at 403 E 3rd. Entity registered to 403 E. 3rd.
Quick Cash, LLC	MVMC	403 E 3rd St., Mount Vernon, NY 10553	20-Nov-02	Active	NY	No	No		Yes	Yes	
USA Payrolls, LLC	Ralph Fornuto	14 Franklin Street, Suite 1121, Rochester, NY 14604	14-Nov-94	Active	NY	No	Yes		Yes	Yes	Entity was disclosed on Feb 2, 2010 financial condition disclosure under "Notes Receivable." \$78,000 at 7% due June 2011.
Scenic View Estates, Ltd.	Mount Vernon Money Center	403 E 3 <sup>rd</sup> St., Mount Vernon, NY 10553	21-Aug-92	Active	NY	No	Yes		Yes	Yes	Entity was disclosed on Feb 2, 2010 financial condition disclosure under "Notes Receivable." Egan disclosed a \$860,000 investment in Scenic View Estates on his February 2, 2010 Financial Condition disclosure.
106 Haven Corp.	Robert F. Egan	318 E 3rd St., Mount Vernon, NY 10550	20-Nov-91	Inactive	NY	No	No		Yes	Yes	Inactive as of December 31, 1996. Also registered to 16 Guard Hill Road, Mount Kisco, NY 10549. 106 Haven Merged with EZ-KI realty on December 31, 1996.
231st Street Realty Corp.	Robert F. Egan	318 E 3rd Street, Mount Vernon, NY 10550	11-Jan-91	Inactive	NY	No	No		Yes	Yes	
333 Corporation	Iris Egan	940 Lincoln Rd., Suite 301, Miami Beach, FL 33139	18-Aug-76	Inactive	FL	No	No		Yes	Yes	Inactive as of November 16, 1987. Also registered to 16 Guard Hill Road, Mount Kisco, NY 10549.
333 Corporation	Phyllis Z Lakow	309 Surrey Drive, New Rochelle, NY	18-Aug-76	Inactive	FL	No	No		Yes	Yes	Inactive as of November 16, 1987.
EZ-RI Realty Corp.	Robert F. Egan	318 E 3rd Street, Mount Vernon, NY 10550	1-Apr-83	Inactive	NY	No	No		Yes	Yes	Inactive as of October 11, 2005. No NY SOS records identified.

Company Name	Officers/Directors/Owners/ Investors	Location	Date of Formation	Status	State	Org Chart	Financial Disclosure	Assets	Incorp Docs- Yes/No	FTI Litig Search- Yes/No	Notes
G&R Check Cashing Corp.	Mark Defazio	Metropolitan National Bank, 2 Park Ave., New York, NY 10016	25-Feb-75	Inactive	NY	No	No		Yes	Yes	Robert Egan listed as president on incorporation documents. Name changed to Cashzone Check Cashing Corporation April 7, 2003. Entity formed out of the merger of Manhattan Check Center and Riverdale Check Cashing Corporation. White Plains Services Inc., RMC Check Cashing Corp., Limp Check Cashing Corp., Main/North Check Cashing Corp., Crona Check Cashing Corp., and Queens Payroll Services, Inc. merged into G&R Check Cashing Corp. on December 14, 1989.
G&R Check Cashing Corp.	Robert F. Egan	Metropolitan National Bank, 2 Park Ave., New York, NY 10016	25-Feb-75	Inactive	NY	No	No		Yes	Yes	Robert Egan listed as president on incorporation documents. Name changed to Cashzone Check Cashing Corporation April 7, 2003. Entity formed out of the merger of Manhattan Check Center and Riverdale Check Cashing Corporation. White Plains Services Inc., RMC Check Cashing Corp., Limp Check Cashing Corp., Main/North Check Cashing Corp., Crona Check Cashing Corp., and Queens Payroll Services, Inc. merged into G&R Check Cashing Corp. on December 14, 1989.
Golden Screen Interactive Technologies, Inc.	Anthony Romano	220 E 42nd St., 22nd Floor, New York, NY 10017	13-Sep-96	Inactive	DE	No	No		Yes	Yes	Inactive as of June 25, 2003. Relationship Unknown. 2003 Delaware franchise tax statements list the address as 138 South Columbus Ave., Mount Vernon, NY 10553. Entity listed on Mount Vernon Money Center general ledger.
Gowanus Check Cashing Corporation	Robert F. Egan	108 South Fourth Ave, Mount Vernon, NY 10550	10-Mar-88	Inactive	NY	No	No		Yes	Yes	This entity was identified in database searches relating to Robert C. Egan. Entity was cross listed but appears to be related to Robert F. Egan. Entity was dissolved on September 28, 1994.
M.V.M.C. Service Station, Inc.		403 E 3rd St., Mount Vernon, NY 10553	4-Sep-91	Inactive	NY	No	No		Yes	Yes	Inactive as of October 23, 1997.
Manhattan Check Center, Ltd.	Robert F. Egan	318 E 3rd Street, Mount Vernon, NY 10550	5-May-89	Inactive	NY	No	No		Yes	Yes	Inactive as of October 3, 1997. Also registered to 16 Guard Hill Road, Mount Kisco, NY 10549. Manhattan Check Center merged with Riverdale Check Cashing as of November 9, 1993. The surviving entity was G&R Check Cashing Corp.
Michelle Corp./ Michelle Realty	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	26-Jun-87	Inactive	NY	No	No		Yes	Yes	Inactive as of November 30, 2006.
Michelle Corp./ Michelle Realty	MVMM Corp.	16 Guard Hill Road, Mount Kisco, NY 10549	26-Jun-87	Inactive	NY	No	No		Yes	Yes	Inactive as of November 30, 2006.
Money Kiosk Corp.	MVMC	403 E 3rd St., Mount Vernon, NY 10553	16-Jun-99	Inactive	NY	No	No		Yes	Yes	Inactive as of June 25, 2003.
Money Kiosk Corp.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	16-Jun-99	Inactive	NY	No	No		Yes	Yes	Inactive as of June 25, 2003.
Montgomery Check Cashing Corp.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	7-Jul-87	Inactive	NJ	Yes	Yes		Yes	Yes	Revoked as of February 16, 2009. Business address appears to be 755 Bergen Ave., Jersey City, NJ 07306. Egan disclosed a \$625,000 investment in Montgomery Check Cashing on his February 2, 2010 financial condition disclosure. Egan listed as president on Incorporation documents.
P.P.Z., Inc.	Iris Egan	16 Guard Hill Road, Mount Kisco, NY 10549	11-Aug-75	Inactive	FL	No	No		Yes	Yes	Inactive as of November 4, 1988.
P.P.Z., Inc.	Phyllis Z Lakow	309 Surrey Drive, New Rochelle, NY	11-Aug-75	Inactive	FL	No	No		Yes	Yes	Inactive as of November 4, 1988.
P.P.Z., Inc.	Paul M. Cummings	49 SW First Street, Suite 201, Miami, FL 33130	11-Aug-75	Inactive	FL	No	No		Yes	Yes	Inactive as of November 4, 1988.
Riverdale Check Cashing Corp.	Robert F. Egan	318 E 3rd Street, Mount Vernon, NY 10550	17-Feb-88	Inactive	NY	No	No		Yes	Yes	Inactive as of December 3, 1993. Also registered to 16 Guard Hill Road, Mount Kisco, NY 10549. Manhattan Check Center merged with Riverdale Check Cashing as of November 9, 1993. The surviving entity was G&R Check Cashing Corp.
Time Square Payment Center, Inc.	Robert F. Egan	318 E 3rd Street, Mount Vernon, NY 10550	11-Jan-88	Inactive	NY	No	No		Yes	Yes	Inactive as of October 22, 1997. Also registered to 16 Guard Hill Road, Mount Kisco, NY 10549.



Company Name	Officers/Directors/Owners/ Investors	Location	Date of Formation	Status	State	Org Chart	Financial Disclosure	Assets	Incorp Docs- Yes/No	FTI Litig Search- Yes/No	Notes
Turf Tech Lawn Care Systems, Inc.	Robert F. Egan	395 Adams St., Bedford Hills, NY 10507	12-Dec-95	Inactive	NY	No	No		Yes	Yes	Inactive as of November 13, 2003. Also registered to 16 Guard Hill Road, Mount Kisco, NY 10549.
Vet's ATM Corp.	Robert F. Egan	16 Guard Hill Road, Mount Kisco, NY 10549	2-Jul-91	Inactive	NY	No	No		Yes	Yes	Robert Egan is listed as the President of this entity on NY incorporation documents. Inactive as of April 27, 2001
Zipes Equities, Ltd.	Robert F. Egan	403 E 3rd St., Mount Vernon, NY 10553	11-Aug-92	Inactive	NY	No	No		Yes	Yes	Inactive as of November 6, 2006. Zipes is Iris's maiden name.
Zipes Equities, Ltd.	MVMC	403 E 3rd St., Mount Vernon, NY 10553	11-Aug-92	Inactive	NY	No	No		Yes	Yes	Inactive as of November 6, 2006. Zipes is Iris's maiden name.
American Money Services	Adam Slutsky	20 Equestrian Ct., Huntington, NY 11745	1-Jan-05	Active	NY	Yes	No		Yes	Yes	Entity listed on Org Chart provided by Egan. Incorporation documents show no connection to Egan.
ATM Management, LLC						Yes	No		No	Yes	This entity is listed on the Mount Vernon Money Center Org Chart and on its website. Incorporation documents were identified for ATM Management, Inc., but not for ATM Management, LLC. Incorporation documents for ATM Management, Inc., do not specify any individual or address attributable to the entity. Incorporation documents show no link to Egan.
COAC, Inc.						No	Yes		No	Yes	No information identified for this entity. DBA searches conducted in NY County and Westchester County. Entity was disclosed on Feb 2, 2010 financial condition under "Notes Receivable." \$67,000 at 7% due April 2011.
East Village						No	No		No	No	No information identified for this entity. Entity listed on the Mount Vernon Money Center General Ledger.
Fordham						No	No		No	No	No information identified for this entity. Entity listed on the Mount Vernon Money Center General Ledger.
Mount Vernon Monetary Management Corp.	MVMM Corp.					Yes	No		No	Yes	Appears to be a DBA for MVMM Corp. No information identified for this entity. DBA searches conducted in NY County and Westchester County.

## Exhibit 2



Allen D. Applbaum  
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### INTERIM ATM SERVICES AGREEMENT

WHEREAS, on February 17, 2010, the United States District Court for the Southern District of New York entered a Consent Order for the Restraint and Seizure of Property related to all of the assets and properties of Mount Vernon Money Center ("MVMC") and its affiliates, including NowCash, Ltd. ("NowCash"), and appointed Allen D. Applbaum, FTI Consulting, as the receiver ("Receiver") for the assets of MVMC, NowCash and other MVMC affiliates;

WHEREAS, NowCash owns and/or operates approximately six hundred (600) automated teller machines (the "ATMs"), approximately three hundred (300) of which require vault cash, armored transportation and other services, and over one hundred and fifty (150) of which are not currently operating because they are out of cash, which number will materially increase over the next two weeks absent cash loading into the ATMs, resulting in the potential meaningful reduction in the value of NowCash; and

WHEREAS, F.A.M Capital, LLC ("FAM") and affiliates own, operate or manage, approximately three thousand (3,000) ATMs in the New York City area and have in place vault cash, processing and armored car servicing agreements with qualified service providers;

THEREFORE, effective February 15, 2010, ("Effective Date"), Receiver and FAM agree that for an initial period of two weeks after the Effective Date ( the "Term"), FAM shall use its best efforts to get as many of NowCash's ATMs operational as possible, under the circumstances, by:

1. Taking over the processing services for the NowCash ATMs by moving such services under FAM's processing agreement with U.S. Bank National Association, doing business as Elan Financial Services ("Elan");
2. Taking over the vault cash services for the NowCash ATMs by moving such services under FAM's vault cash agreement with Elan or other qualified vault cash providers;
3. Taking over the armored transportation services for the NowCash ATMs by moving such services under FAM's current armored agreement with Pendum, Inc, or under agreements with such other qualified armored service providers as FAM shall select;
4. Taking over the merchant payment and first and second line maintenance services for the NowCash ATMs using its own personnel; and



5. Providing customer communication and other services as required (together 1-5 are the "Services")

In exchange for providing the Services, FAM shall be entitled to 75% of the surcharge and interchange revenue earned by the NowCash ATMs (which will flow directly into FAM's designated accounts from the networks once the transition to FAM's processing agreement with Elan has occurred) for the month of February, and FAM will be responsible for all of NowCash's direct expenses related to operating the NowCash ATM's, including, but not limited to, processing, vault cash, armored, technical services and merchant payment costs for the Term only. In addition, FAM will be responsible for all compensation obligations to three NowCash employees (inclusive of Lucy Ciralo, Brendan McGarry and Ellen Choi) for the Term only.

Receiver recognizes and acknowledges that the seizure of MVMC has caused substantial disruption to the NowCash ATMs and the ability to obtain alternative armored and other services from third party vendors; that there are likely to be meaningful delays in supplying cash to the CashNow ATMs; that it is likely that there will be further substantial near term disruptions to such ATMs; and that, in these circumstances, FAM cannot provide any guarantees during the Term regarding how many of such ATMs will become operational.

If NowCash's sponsor bank relationship is terminated, FAM will use its best efforts to work with NowCash and FAM's sponsor bank, MetaBank, to enable NowCash to operate under FAM's sponsorship relationship with MetaBank.

FAM will never possess or have unsupervised access to the cash utilized in or by the NowCash ATMs. FAM is responsible for engaging and managing the entities that will control cash on FAM's behalf in FAM's duties as to the fulfillment of its responsibilities under this agreement. FAM is also responsible for ensuring, in all reasonable respects, that these entities are appropriately bonded and insured. Consequently, FAM will not be directly liable for any losses of cash in or related to the NowCash ATMs and Receiver will hold FAM harmless against any and all claims for such losses.

FAM will be provided access to the ATM parts inventory of MVMC and NowCash, which will be exclusively utilized by FAM to repair NowCash ATMs.

FAM and Receiver will use their best efforts to enter into a longer term agreement related to the Services before the end of the Term.

AGREED:

Receiver

  
Allen D. Applbaum

F.A.M Capital LLC

  
Frederick P. Wich  
CEO

## Exhibit 3

**Mount Vernon Money Center  
Termination and Retention Analysis  
Estimated Weekly Run-Rates**

	<b>Headcount</b>	<b>Cost <sup>(1)</sup></b>
<b>Retained Employees</b>		
Salaried	15	17,531.65
Hourly	-	-
Total	15	\$ 17,531.65
<b>Special Situations</b>		
Salaried	4	5,037.08
Hourly	1	1,167.60
Total:	5	\$ 6,204.68
Less Reimbursement <sup>(2)</sup>	(2)	\$ (1,635.16)
Net Total:	3	\$ 4,569.52
<b>Deinstall Team <sup>(3)</sup></b>		
Salaried	3	3,063.50
Hourly	4	2,720.00
Total	7	\$ 5,783.50
<b>Terminated</b>		
Salaried	27	27,662.31
Hourly	257	154,370.00
Total	284	\$ 182,032.31
<b>Future Weekly Run-Rate</b>		
Salaried	22	25,632.23
Hourly @ 40 hours	5	3,887.60
Reimbursement	(2)	(1,635.16)
Total	25	\$ 27,884.67
<b>Current Run-Rate</b>		
Salaried	49	53,294.54
Hourly @ 40 hours	262	158,257.60
Total	311	\$ 211,552.14
<b>Savings After Termination</b>		
Salaried	(27)	27,662.31
Hourly @ 40 hours	(257)	154,370.00
Reimbursement	(2)	1,635.16
Total	(286)	\$ 183,667.47

<sup>(1)</sup> For the purposes of this analysis, salaried employee cost is shown in combined weekly salary while hourly employee cost is shown in combined hourly wage.

<sup>(2)</sup> Adjustment for employees whose costs will be reimbursed.

<sup>(3)</sup> Deinstall team will be retained for 1-3 weeks, until the completion of the transfer of the AMS and ATM businesses to other service providers.



## Exhibit 4

Mount Vernon Money Center Corporation  
Bank Balances  
February 23, 2010

## Direct Accounts

Account Name	Bank	Account Type	Account Number	Bank Balance	Notes	Current		
						Disbursements	Cash Exchanges	Receivable receipts
MVMC - Checking	Signature	Concentration and Exchange Account	1500286896	4,385,767.28		x	x	x
MVMC	Citibank	Exchange Verizon	14678461	199,894.24			x	
MVMC Interchange	Signature	Dormant and under investigation	1500438815	4,804.02				
MVMC ATM Test	Signature	ATM driver test account	1500438823	1,018.30		x		
Annex Corp.	Signature	Realty	1500438858	15,594.73			x	
185 LLC	Signature	Realty	1500438874	6,804.62		x		x
EZ-KI Realty	Signature	Realty	1500438890	16,773.95		x		x
MVMM Payroll	Signature	Payroll	1500438939	141,353.58		x		x
District Central	Signature	Operating	1500438947	31,122.39		x		x
Crystal Public Comm	Signature	Dormant	1500441999	2,026.83				
MVMC Insured	Signature	Money Market Cash Collateral	1500505652	56,864.85				
MVMC Operating	Signature	Operating	1500634215	31,085.89		X		X
MVMC Service	Signature		1500637583	126,794.46				
Now Cash	Signature	Operating	1500637788	137,465.74		x		x
Now Cash MM	Signature	Exchange	1500637796	111,156.51			x	
44 N Saw Mill	Signature	Realty	1500754407	39,936.29		x		X
AMS Operating	Signature	Operating	1500754377	2,400,519.17		x	x	x
AMS Payroll	Signature	Payroll	1500754636	58,168.19		x		
Now Cash	Signature	Dormant	1500990747	1,841.25				
Citibank	Citibank	Check Collection	9965484807	(13,390.02)				x
Chase	JPM Chase	D1 Service interest only	4041103955	73,087.51	(1)			
Montgomery Check Cashing	Wachovia	Operating / Exchange	18045615	-		x	x	x
	Wachovia	Operating / Exchange	18047639	237,417.63	(2)			
Manhattan Moneybranch	Capital One	Operating / Exchange	2124014701	176,326.09		x	x	x
Cash Collateral Account	Capital One		2124015419	-				
Moneygram Exchange	Capital One		2124015331	-			x	
		Total Cash Balance		8,242,433.50				

(1) Currently following up on balance. Assumed to be equal to balance as of 1/29/10

(2) Have followed up with Wachovia multiple times re: account information and signature cards and are yet to receive a response.

## Exhibit 5

**Mount Vernon Money Center**  
**Receivership Cash Flows**  
As of February 24, 2010

(\$ in thousands)

**CASH ACTIVITY**

	<u>Cash Flow Bridge</u>	<u>Notes</u>
<b>Beginning Cash Balance as of 2/12/10</b>	<b>\$ 7,933,502.42</b>	(1)
<b>Inflows</b>		
A/R Collections	340,927.42	
ACH Credits	45,375.24	(2)
Return Items	2,081.48	(2)
Incoming Money Transfers	354,001.10	
NowCash Credits	50,669.53	
Other Credits	8,548.15	(3)
<b>Total Inflows</b>	<b>\$ 801,602.92</b>	
<b>Outflows</b>		
Cleared Payroll (2/12-2/19)	(82,395.43)	
Payroll, Direct Deposit & Employee Deductions (2/12-2/19)	(158,698.32)	
Bank Debited Fees	(13,378.90)	(4)
Deposited Item Returns	(188,392.55)	
Miscellaneous NowCash Debits	(49,806.63)	
<b>Total Outflows</b>	<b>\$ (492,671.83)</b>	
<b>Net Cash Flow</b>	<b>\$ 308,931.09</b>	
<b>Ending Cash Balance as of 2/23/10</b>	<b>\$ 8,242,433.50</b>	
<b>Estimated Cash Flow Items for the WE 3/5/10</b>		
Known & Estimated AR Collections	80,000.00	(5)
Anticipated AR Collections	60,000.00	(6)
<b>Total Anticipated Inflows</b>	<b>\$ 140,000.00</b>	
Remaining Payroll checks outstanding (2/12-2/19)	(49,726.67)	
Commission checks outstanding	(70,131.43)	
A/R Collections Services	(900.00)	(7)
2/26 Payroll	(43,482.29)	
2/26 Taxes, Processing Fees & Employee Contributions	(20,970.44)	
3/5 Payroll	(43,482.29)	
3/5 Taxes, Processing Fees & Employee Contributions	(20,970.44)	
2/19 Taxes, Processing Fees & Employee Contributions	(39,598.66)	
Estimated 401(k) payment	(34,000.00)	(8)
Estimated Health & Benefits Payments	(3,545.32)	(8)
Estimated Insurance Payment	(8,350.00)	
Estimated Real Estate Rent Payment	(4,875.00)	
Estimated NowCash Credit due ATM World	(38,002.14)	(9)
Sales Tax Payments	TBD	(10)
Verizon NowCash Payments	TBD	
Miscellaneous Other Payments	(20,000.00)	
<b>Total Anticipated Outflows</b>	<b>\$ (398,034.69)</b>	
<b>Net Future Cash Flow:</b>	<b>\$ (258,034.69)</b>	
<b>Estimated Cash Balance 3/5/10</b>	<b>\$ 7,984,398.81</b>	

Notes:

- (1) - Amount is adjusted to reflect the estimated \$7.23M adjustment made by Signature Bank at beginning of receivership.
- (2) - Amount will be clarified and potentially broken out based on discussions with Company personnel on 2/26.
- (3) - Line item includes "other" receipts not captured elsewhere and is less than .2% of the total cash balance.
- (4) - We are following up to confirm that these are fees that were debited by Signature Bank.
- (5) - Includes \$30,000 estimated to be en route and \$150,000 expected to be delivered on 2/26/2010.
- (6) - Amount will be updated based on discussion with Tamika tomorrow.
- (7) - Includes 4 weeks worth of collections fees.
- (8) - Amount is estimated.
- (9) - We assume that only 25% of NowCash receipts are kept by the receivership.
- (10) - Sales tax amounts to be estimated.

## Exhibit 6

**MVMC Consolidated Balance Sheet****As of September 30, 2009***(unaudited)*

Cash and cash equivalents	\$ 20,298,520
Accounts receivable	5,482,743
Prepaid expenses	1,172,820
ATM parts and other inventory	1,003,434
Other assets	64,433
<b>Total Current Assets</b>	<b>28,021,951</b>
Loan receivables - officer	16,434,385
Loan receivables - employees	275,106
Note receivable	500,000
Other assets	149,886
Investments	3,939,562
Property and equipment	9,412,922
Intangibles	6,973,538
<b>Total Assets</b>	<b>\$ 65,707,351</b>
Due to customers	60,005,484
Accounts payable and accrued expenses	1,723,721
Security deposit payable	748,005
Deferred revenue	216,212
Current portion of LT debt	38,514
<b>Total Current Liabilities</b>	<b>62,731,936</b>
Long term debt	3,477,982
Note payable	571,068
<b>Total Liabilities</b>	<b>\$ 66,780,986</b>
<b>Stockholders Equity</b>	
Common stock/Additional paid in capital	19,497,566
Accumulated deficit	(20,571,201)
<b>Total Liabilities and Stockholders Equity</b>	<b>\$ (1,073,635)</b>